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Dairy Production

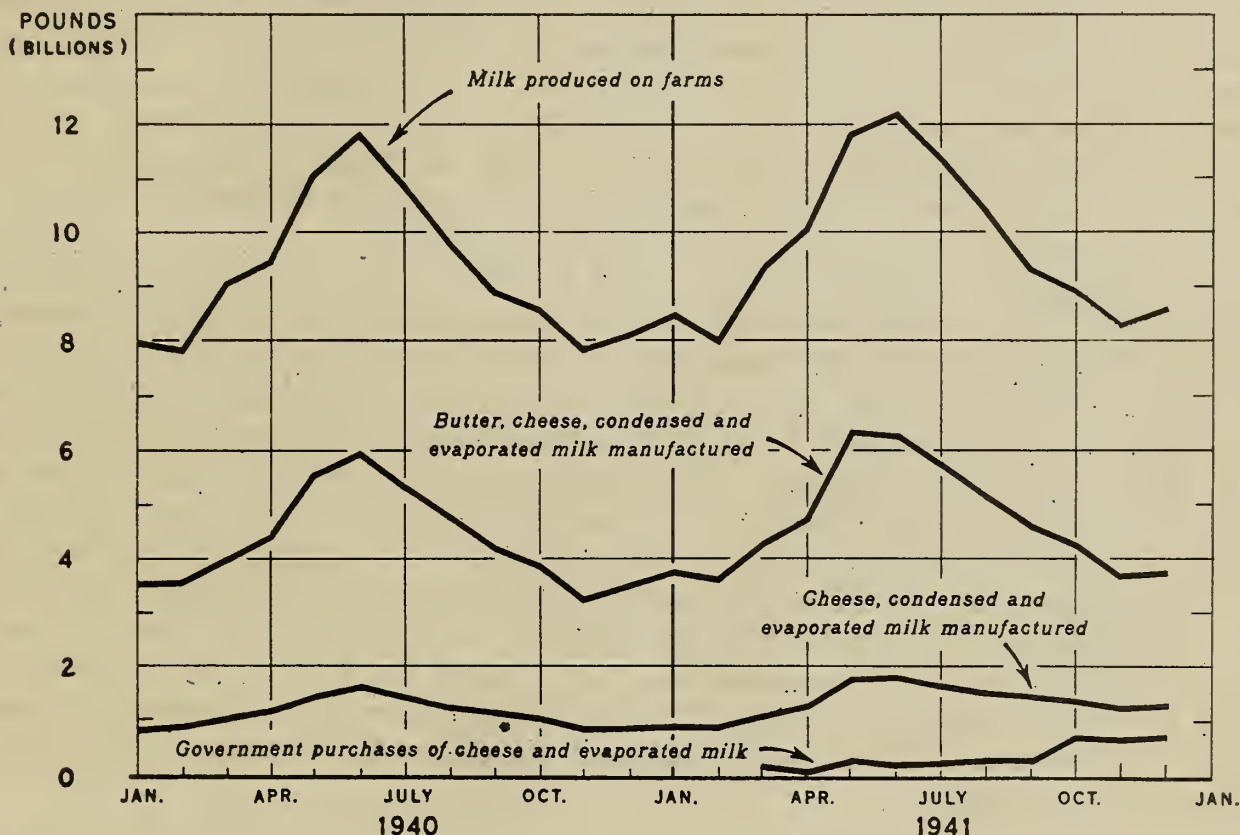
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AGRICULTURAL MARKETING SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

No. 21

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JANUARY 16, 1942

MILK PRODUCED ON FARMS, AND MANUFACTURED DAIRY PRODUCTS (MILK EQUIVALENT), UNITED STATES, 1940-41



U. S. DEPARTMENT OF AGRICULTURE

NEG. 546

AGRICULTURAL MARKETING SERVICE

MILK PRODUCTION IN THE LAST HALF OF 1941 APPEARS TO HAVE EXCEEDED PRODUCTION IN THE SAME PERIOD OF 1940 BY ABOUT 5 PERCENT. ABOUT THREE-FOURTHS OF THIS INCREASE IN MILK PRODUCTION HAS SHOWN UP IN INCREASED PRODUCTION OF CHEESE AND EVAPORATED MILK. DURING THE SAME 6 MONTHS THE SURPLUS MARKETING ADMINISTRATION PURCHASED CHEESE AND EVAPORATED MILK EQUIVALENT TO ABOUT 450 MILLION POUNDS OF MILK PER MONTH--A QUANTITY EQUAL TO 5 PERCENT OF ALL MILK PRODUCED DURING THE PERIOD, NEARLY EQUAL TO THE INCREASE IN MILK PRODUCTION OVER THAT IN THE CORRESPONDING 1940 PERIOD, AND EXCEEDING THE INCREASE IN THE QUANTITY OF MILK USED FOR CHEESE AND EVAPORATED MILK. SO LONG AS PRESENT CONDITIONS PREVAIL GOVERNMENT PURCHASES OF CHEESE AND EVAPORATED MILK SEEM LIKELY TO CONTINUE AT SOMEWHERE AROUND THE FLUCTUATING LEVELS PREVAILING DURING THE LAST SIX MONTHS, AND PURCHASES OF DRIED SKIM MILK WILL PROBABLY BE INCREASED IF IT CAN BE OBTAINED. LARGER PURCHASES OF DAIRY PRODUCTS ARE ALSO A POSSIBILITY. DUE PRIMARILY TO EXPECTED GOVERNMENT PURCHASES, THE PRODUCTION OF MILK AND OF THE DAIRY PRODUCTS MOST IN DEMAND WILL PROBABLY REACH NEW HIGH RECORDS THIS YEAR.

DAIRY PRODUCTION SUMMARY

Milk production, which was notably high on December 1, increased little during the month but was still above previous records on January 1. For the month of December as a whole, production was above that in the same month last year by nearly 6 percent, compared with increases of 5-1/2 percent in November and nearly 5 percent in October. These increases were partly due to favorable weather conditions. Production in early January, on the other hand, was probably temporarily reduced by the cold weather, for during the week ending January 13 temperatures in dairy sections averaged about 11 degrees below normal.

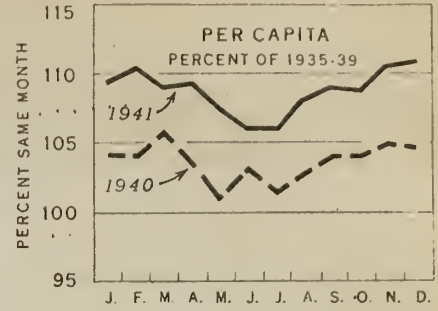
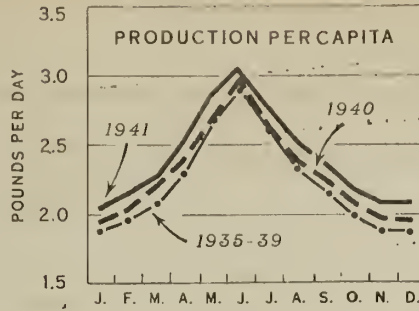
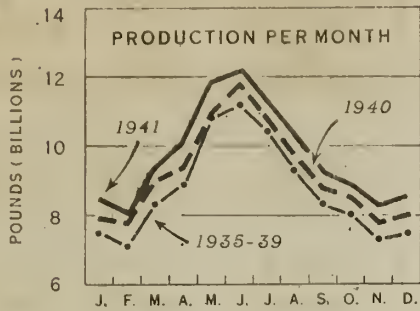
The quantity of dairy products manufactured during December now appears to have been only about 6 percent above production in the same month last year. This is a much smaller increase than the 12 percent now indicated for November, but part of the difference may be due to delay in butterfat deliveries because of snow and cold weather in West Central areas near the end of December. The diversion of milk from creameries to cheese factories has continued. Since July, butter production has fallen progressively lower in comparison with production in the same month in the preceding year, dropping 16 percent below in the first week of January. American cheese production in December was nearly 50 percent higher than in December 1940. November production of evaporated milk was 92 percent above production in the preceding November and nearly equal to average production in June. The high rate of production probably continued through December.

Stocks of dairy products in sight on January 1 were the highest on record for the date and more than double the holdings on the same date last year; however, they included considerable cheese and evaporated milk bought for shipment but not yet moved. Butter in cold storage, exclusive of Government holdings, totaled about 109 million pounds, the heaviest January 1 commercial holdings on record with the exception of 1934. With production declining rapidly, commercial butter stocks dropped about 39 million pounds during December, slightly more than usual. American cheese in cold storage totaled 170 million pounds, but excluding Government holdings commercial stocks were 128 million pounds compared with 113 million on January 1 last year. Stocks of evaporated milk reported by manufacturers were also very large but probably 2/3 of the increase was in stocks held for the Government. Cream in cold storage, mostly in New York State, totaled 254 thousand 40-quart cans, compared with 106 thousand last year, and 193 thousand in January 1939 when holdings were unusually large.

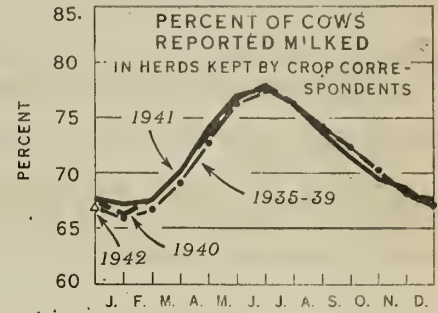
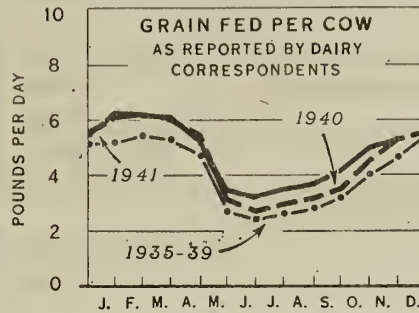
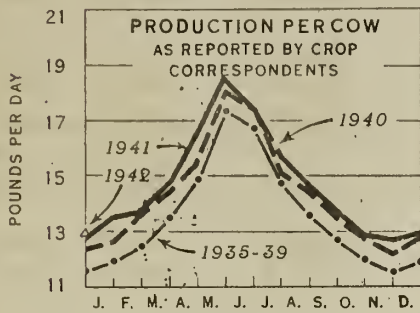
Prices of dairy products, which commonly begin to decline in late December, appear to average slightly higher than they were a month ago. American cheese, one of the products most urgently needed, continues outstandingly high, the wholesale price being 54 percent above the 1936-40 mid-January average and the highest for January since 1928. In November the price paid by condenseries for 3.5% milk averaged \$2.16 per 100 pounds or 43 percent above the November 5 year average. The manufacturers' selling price of evaporated milk in November averaged \$3.67 per case of 48 14-oz. cans or 26 percent over the 5-year average for November. About 79 percent of this increase in the price of evaporated milk appears to have been added to the payments for milk. Both the prices paid by milk distributors for milk for bottling and retail prices of milk in cities average about 1 percent higher in January than in December. Compared with the 5-year average for January the price paid by dealers is up 22 percent and the delivered retail price in principal cities is up 16 percent. The December prices received by farmers when compared with the average of December prices during the 1935-39 period show butterfat higher by 12 percent and milk by 32 percent. Farmers have also increased their returns by selling more of the product as whole milk, leaving a smaller percentage to be skimmed and sold at a lower price in the form of cream.

DAIRY STATISTICS: GRAPHIC SUMMARY FOR THE UNITED STATES

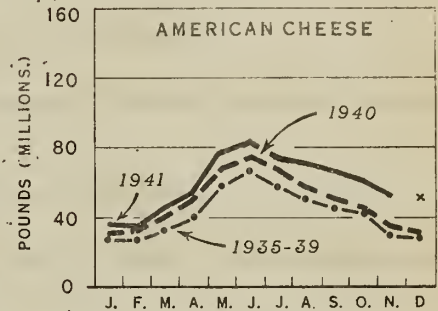
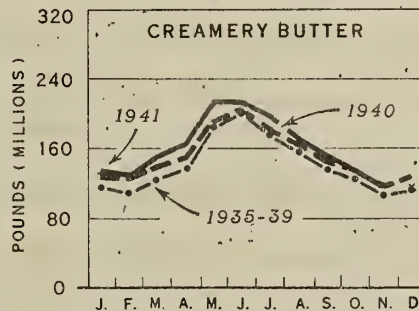
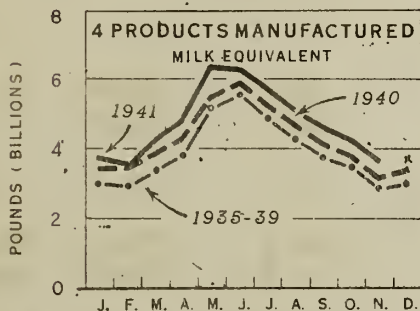
MILK PRODUCTION ON FARMS



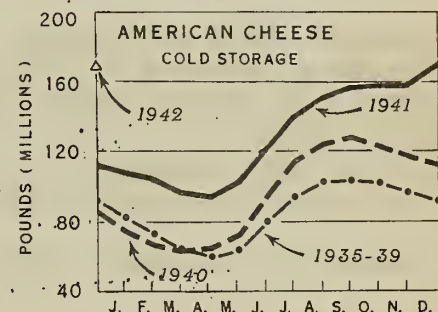
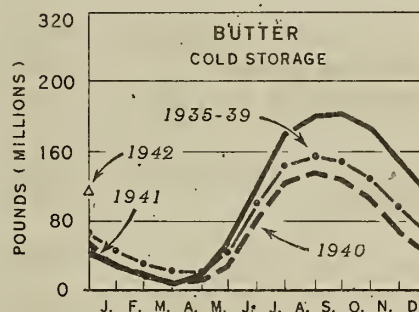
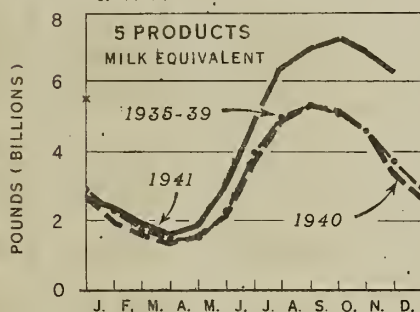
MILK PRODUCTION FACTORS



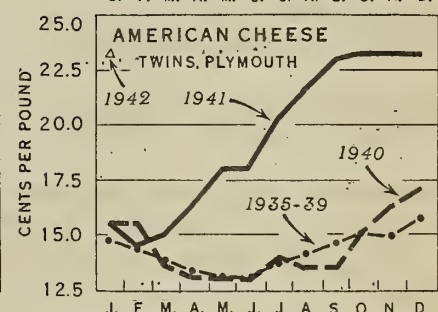
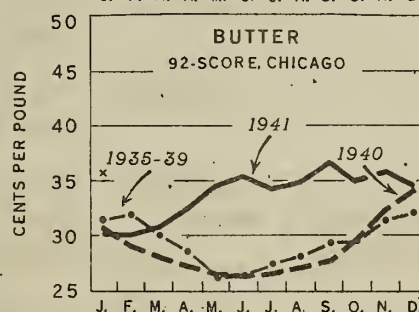
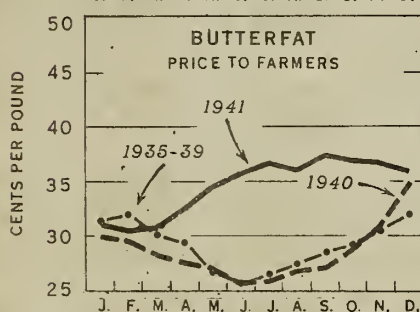
DAIRY PRODUCTS MANUFACTURED



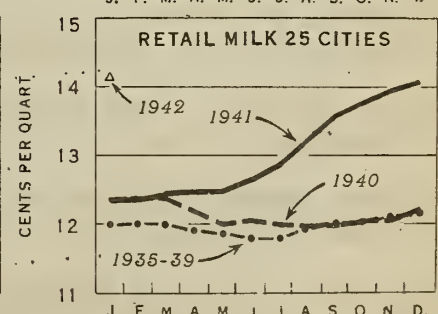
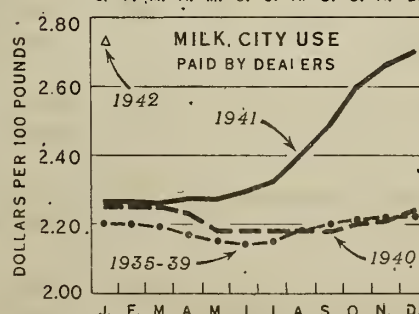
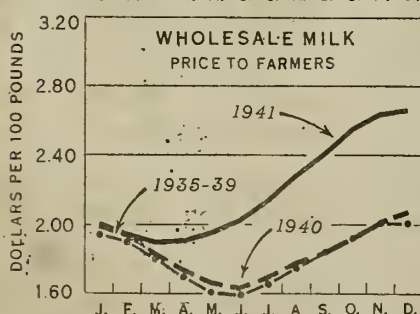
STOCKS



PRICES



PRICE OF MILK



* APPROXIMATION BASED ON INFORMATION AVAILABLE TO ABOUT 12TH OF CURRENT MONTH

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

Dairy Production

January 16, 1942

SUMMARY OF DAIRY STATISTICS FOR THE UNITED STATES

			Average 1935-39 or 1936-40	1940 or 1941	1941 or 1942	
					Total or average	Percent of prev. year
MILK PRODUCTION ON FARMS:						
Total, per month.....mil.lb.	Oct.		7,992	8,510	8,928 <u>a/</u>	104.9
	Nov.		7,303	7,845	8,280 <u>a/</u>	105.5
	Dec.		7,516	8,076	8,556 <u>a/</u>	105.9
Per capita, daily average..... lb.	Nov.		1.876	1.977	2.073 <u>a/</u>	104.9
	Dec.		1.868	1.968	2.072 <u>a/</u>	105.3
Per cow, per day..... lb.	Nov. 1		11.99	12.74	12.84	100.8
(As reported by crop correspondents)	Dec. 1		11.53	12.17	12.74	104.7
	Jan. 1		11.94	12.78	12.95	101.3
GRAIN FED PER COW	lb.. Dec. 1		4.61	5.22	5.40 <u>c/</u>	103.4
(As reported by dairy correspondents)	Jan. 1		5.37	5.91	6.20 <u>cd/</u>	104.9
PRODUCTION OF MANUFACTURED DAIRY PRODUCTS:						
Creamery butter, monthly..... mil.lb.	Nov.		108.1	117.7	115.2 <u>b/</u>	97.9
	Dec.		113.3	126.6	115.3 <u>a/</u>	91.1
weekly.....week ending	Jan. 8		---	---	---	83.8
American cheese, monthly..... mil.lb.	Nov.		30.8	35.9	51.7 <u>b/</u>	144.0
	Dec.		28.6	35.2	52.0 <u>a/</u>	147.7
weekly.....week ending	Jan. 8		---	---	---	137.9
Evaporated milk, case..... mil.lb.	Oct.		137.1	172.6	269.3	156.0
	Nov.		106.8	134.3	258.2	192.3
4 products, milk equivalent..... mil.lb.	Oct.		3,525	3,898	4,258	109.2
(Creamery butter x 21, all cheese except	Nov.		2,938	3,288	3,681	112.0
skim x 10, canned cond. & evap.milk x 2.2)	Dec.		3,040	3,502	---	106.2 <u>c/</u>
STOCKS ON HAND:						
Butter in cold storage..... mil.lb.	Dec.1		95.5	67.6	152.5	225.6
(Including government holdings).	Jan.1		65.7	41.5	114.6	276.1
Commercial holdings, only.....	Jan.1		43.6	41.4	108.7	262.6
American cheese.....mil.lb.	Dec.1		97.3	119.3	158.2	132.6
(Cold storage holdings)	Jan.1		92.3	113.1	170.2	150.5
Evaporated milk, case.....mil.lb.	Nov.1		249.1	358.2	382.6	106.8
(Manufacturers' stocks)	Dec.1		212.2	226.3	417.6	184.5
5 products, milk equivalent.....mil.lb.	Nov.1		4,637	4,631	6,948	150.0
(Butter, all cheese, canned cond. & evap.	Dec.1		3,747	3,437	6,287	182.9
milk plus cream in cold storage)	Jan.1		2,974	2,686	5,448 <u>c/</u>	202.8
PRICES:						
Butterfat, per pound..... ct.	Nov.15		30.5	31.0	36.7	118.4
(Prices received by farmers)	Dec.15		32.1	34.8	36.0	103.4
Butter, wholesale, per pound..... ct.	Dec.		32.09	34.20	34.56	101.1
(92 score, Chicago)	Jan.		31.10	30.11	35.75 <u>e/</u>	118.7
American cheese, wholesale, per pound..... ct.	Dec.15		15.70	17.00	23.25	136.8
(Twins, Plymouth, Wisconsin)	Jan.15		15.10	15.50	23.25	150.0
Milk, wholesale, per 100 pounds..... dol.	Nov.15		2.01	2.03	2.64	130.0
(All purposes, prices received by farmers)	Dec.15		2.02	2.07	2.66 <u>a/</u>	128.5
Milk for city distribution, per 100 lbs. dol.	Dec.		2.23	2.24	2.70	120.5
(Prices paid by dealers, 3.5% basis)	Jan.		2.24	2.26	2.73 <u>a/</u>	120.8
Milk, retail delivered, per quart..... ct.	Dec.		12.16	12.21	14.06	115.2
(Average, 25 markets)	Jan.		12.17	12.33	14.16 <u>a/</u>	114.8

a/ Preliminary. b/ Preliminary revision. c/ Forecast or interpolation.

d/ Not available when accompanying chart was prepared. e/ Price January 15.

MILK PRODUCTION ON FARMS

Milk production on farms in December is estimated at nearly 8.56 billion pounds, or about 6 percent higher than in the same month of 1940. This represents a continuation of the unusually high level of production and brings to a close the year 1941, in which all previous records for milk production have been broken. The total for the year, as obtained by adding together the 12 preliminary monthly estimates, was more than 116½ billion pounds, or about 5 percent higher than in 1940. On a per capita basis, this is the highest output for the 18-year period in which records are available, and nearly 9 percent above the 1935-39 average.

MONTHLY MILK PRODUCTION ON FARMS, UNITED STATES 1935-39 Average, 1940, and 1941

Month	Monthly Total				Daily Average per Capita			
	Average		1941		Average		1941	
	1935-39	1940	1941	1940	1935-39	1940	1941	
	Million pounds			Pct.	Pounds			
January	7,480	7,952	8,448	106	1.871	1.950	2.058	
February	7,124	7,801	8,008	103	1.957	2.044	2.159	
March	8,342	9,006	9,331	104	2.084	2.207	2.271	
April	8,928	9,444	10,020	106	2.304	2.390	2.519	
May	10,719	11,076	11,826	107	2.676	2.712	2.876	
June	11,195	11,805	12,180	103	2.886	2.985	3.059	
July	10,443	10,865	11,362	105	2.604	2.657	2.760	
August	9,330	9,812	10,385	106	2.325	2.398	2.521	
September	8,338	8,880	9,330	105	2.145	2.241	2.339	
October	7,992	8,510	8,928	105	1.989	2.077	2.165	
November	7,303	7,845	8,280	106	1.876	1.977	2.073	
December	7,516	8,076	8,556	106	1.868	1.968	2.072	
Yearly Total	104,710	111,072	116,654	105.0	2.216	2.301	2.407	

Milk production per cow in the United States continued at a very high level during December and at the end of the month was nearly 10 percent above average for the date. However, the increase in production per cow from December 1 to January 1 was about as small as has been recorded for the month, partially because storms and cold weather in Western and some Central sections toward the close of December contrasted sharply with the unusually mild weather that supported heavy production earlier in the month.

from 1925 through 1936.

past 5 years, but higher than reported for January 1 in all but one of the years cows were reported in production, somewhat less than on the same date in any of the years for which records are available. In these herds, 67.0 percent of the milk pounds averaged 12.95 pounds on January 1, the highest for the date in the 18 For the country as a whole, production per cow in herds kept by crop corresponded to the past year.

but not enough to offset the increase in number of milk cows on farms in that area In the West North Central States, somewhat lower production per cow was in evidence Central States, production per cow averaged about the same as that of a year ago. increases were also apparent in the South Atlantic and Western groups. In the South was up most sharply in the North Atlantic and East North Central States. Moderate As compared with January 1, 1941, production per cow on the 1st of the month lower inherent milk producing ability and some that are normally sucked by calves. Farmers appear to have been expanding their milking herds by milking more cows of others, where considerable numbers of dual-purpose type cows are commonly milked, from Mississippi westward to include Oklahoma and Texas. In these States and some production per cow was reported from a group of South Central States extending including North Dakota, Montana, and Colorado. On the other hand, below-average Record high production per cow was also reported from several other States. storms that are usual at this season.

though for the most part dairy herds in that area are well sheltered against the effects on milk production that did not show up in first-of-the-month reports, all until after the turn of the year. The recent cold wave may have had adverse effects on milk production and in most of the States severe weather did not come January 1. In this commercial area, good milk cows appear to be responding generously to liberal feeding and in most of the States severe weather did not come to New England, every State showed record or near-record production per cow for In the important dairy belt that extends from Minnesota and Iowa eastward

MILK PRODUCED PER MILK COW IN HERDS KEPT BY REPORTERS 1/

State and Division	January 1, (Avg.) 1931-40	January 1, 1940	January 1, 1941	January 1, 1942
	Pounds	Pounds	Pounds	Pounds
Maine	12.4	12.8	13.1	12.7
N. H.	14.6	15.0	14.4	15.0
Vt.	12.7	12.6	13.1	13.6
Mass.	17.0	17.4	17.6	17.4
Conn.	16.4	17.2	17.3	18.0
N. Y.	15.1	16.2	16.0	17.2
N. J.	18.2	18.8	18.6	19.8
Pa.	15.2	15.7	16.2	16.8
N. ATL.	15.17	15.76	15.96	16.88
Ohio	13.4	13.8	14.1	14.7
Ind.	12.1	12.8	13.6	13.8
Ill.	13.0	14.0	15.1	14.5
Mich.	15.4	16.4	16.2	16.8
Wis.	14.0	14.5	14.9	15.6
E. N. CENT.	13.63	14.38	14.91	15.30
Minn.	14.6	15.7	16.5	16.4
Iowa	12.6	13.4	14.1	13.8
Mo.	8.0	8.0	8.9	8.8
N. Dak.	9.6	10.5	12.2	12.3
S. Dak.	9.5	10.0	11.2	10.2
Nebr.	11.8	12.5	12.2	12.4
Kans.	12.4	12.2	12.6	13.1
N. N. CENT.	11.56	12.23	12.83	12.61
Md.	13.3	14.2	14.6	14.9
Va.	9.3	9.6	10.7	11.1
N. Va.	9.0	9.1	9.2	9.5
D. C.	10.1	10.8	10.7	11.0
S. C.	9.4	9.9	11.2	10.9
Del.	8.0	8.7	8.9	8.3
S. ATL.	9.72	10.18	10.65	10.89
N. Y.	9.1	9.6	9.8	10.5
Penn.	8.2	8.8	8.5	8.6
Ala.	7.5	7.9	8.0	7.6
Miss.	6.1	5.6	5.4	6.0
Ark.	6.8	6.9	7.3	6.8
Okla.	9.0	8.7	8.6	8.4
Tex.	7.8	7.7	7.5	7.4
S. CENT.	7.90	7.83	8.04	8.04
Mont.	11.2	12.3	12.1	12.9
Idaho	15.1	16.4	15.0	15.3
Wyo.	10.4	11.1	10.9	10.6
Colo.	11.9	13.9	12.9	14.1
Wash.	14.9	15.7	15.3	15.3
Oreg.	13.4	13.8	14.0	13.5
Calif.	16.1	18.0	16.6	16.2
WEST	13.52	14.87	14.25	14.49
U. S.	11.83	12.43	12.78	12.95

1/ Averages represent the reported daily milk production of herds kept by reporters divided by the total number of milk cows (in milk or dry) in these herds. Figures for New England States are based on combined returns from crop and special dairy reporters and are weighted by counties. Figures for other States, regions, and U. S. are based on returns from crop reporters only. The regional averages are based in part on records of less important dairy States not shown separately, as follows: North Atlantic, Rhode Island; South Atlantic, Delaware and Florida; South Central, Louisiana; Western, New Mexico, Arizona, Utah and Nevada.

THE DAIRY INDUSTRY AND THE WAR

As the Nation's war effort increases, the records of dairy production, stocks, and prices show unprecedented conditions, though they do not reveal what lies ahead. The record to date shows only the first adjustments. To visualize the changes in prospect we must look at what the countries at war have done or look back to 1918 and calculate what we would have done in 1919 and perhaps in 1920 if the war had continued.

There are many things that are not yet clear. The shifts of population that have begun have already resulted in sharp regional changes in the demand for market milk. There is a call for more than a million additional workers at the points where ships must be built and airplanes assembled, but housing and transportation difficulties have appeared and further decentralization may be necessary. The town with the greatest number of unemployed workers today may be designated as the site of a training camp or a munitions factory tomorrow. About all that dairymen can do to meet these uncertainties is, first, to assume that the number of workers in all present munitions plants will increase and, secondly, prepare to move quickly to meet new demands as they appear.

Increased employment at high wages and prospective increases in taxes will shift purchasing power between income classes and producing groups and cause unpredictable changes in the demand for individual dairy products. Changes in demand are taking place much more rapidly than changes in supplies. Prices have risen unevenly, resulting in inequalities. Such difficulties are likely to increase, though some of them may be avoided by price control measures.

Dairy products rank high on the list of necessary foods but milk cows, like airplane workers, demand "overtime pay" for extra production. Thus, while cows will produce some milk on hay and pasture alone, the record high production per cow in 1941 was due largely to the feeding of nearly 8 pounds of grain for each pound of butterfat produced. With cows already well fed, further increases in production per cow can be secured only at relatively high cost. To increase production by heavier feeding about 25 pounds of additional grain would now have to be fed for each pound of additional butterfat secured.

With normal response to prices, with prices of feeds and of dairy products about as they are now and only a gradual movement of workers from the farms, it would be reasonable to expect that the number of milk cows would continue to increase during 1942 and that milk production per cow would average even higher than in 1941, resulting in total milk production about 4 percent higher in 1942 than in 1941. This production would permit exporting the dairy products now called for and would maintain about the present level of domestic consumption. This, however, is not a forecast of production but merely a base point from which to estimate. Allowances should be made for the effects of National efforts to increase milk production, for such price ceilings or rationing measures as may restrict either the production or the consumption of dairy products and for the effect of weather conditions on the production of grass and grain.

In sharp contrast to conditions in 1917 and 1918, feed grain supplies are large and prices relatively low in comparison with livestock and livestock products, and there are no indications yet that feed supplies will not continue adequate. The number of units of grain consuming livestock on farms is probably 6 or 7 percent higher than a year ago and will probably increase that much or more in 1942, but if weather conditions are average the prospective increase in the acreage devoted to feed grain crops should provide an adequate supply of feed.

Some shortages of raw materials have appeared and more are to be expected. There is danger that the shortage of rubber for tires may affect retail milk deliveries and the quantity of milk that people can carry home from stores. About 125 new cheese factories have been opened up but necessary metals are now difficult to secure and most cheese factories, condenseries, and milk drying plants will be worked closer to capacity in 1942 than in any past year.

On the whole, dairymen start the year with nearly the maximum number of cows on hand, with large supplies of grain in sight, with hay supplies large in the aggregate and seriously short only in quite limited areas, with prices of dairy products at the highest level in 13 years, with a wider realization of the importance of milk in the diet of the world than ever before and with a call from the United Nations for all that they and their families can produce.